

INTERDEPARTMENTAL ACCOUNTS

OVERVIEW

The Interdepartmental Accounts provide funds for the cost of certain services that are administered centrally on behalf of all agencies of State government.

This section focuses on State employees' salary contracts, employee benefits, and other obligations and initiatives that benefit all State departments ranging from short-term borrowing costs to major investments in technology. Other Interdepartmental Accounts include property rentals, utilities, insurance, and capital, and are discussed in the Capital and Debt Service section.

The fiscal 2003 budget for all Interdepartmental Accounts totals \$2.093 billion, an increase of \$282.3 million, or 15.6%, over the fiscal 2002 adjusted appropriation of \$1.810 billion.

Salary Increases

The State of New Jersey, excluding higher education's senior public institutions, employs approximately 81,200 full-time and part-time workers. The State is covered by the New Jersey Public Employer-Employee Relations Act, as amended, NJSA 34:13A-1, et seq. This Act guarantees public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive collective negotiation representatives for units of public employees. As of January 2002, unions represented 85.6%, or 69,500 full-time and part-time State employees.

Employee Contract Status

Contracts are in place for fiscal 2003 with the American Federation of State, County, and Municipal Employees (AFSCME); International Federation of Professional and Technical Engineers (IFPTE); Communication Workers of America (CWA); State Policemen's Benevolent Association (PBA); State Troopers Fraternal Association (STFA); and two unions that represent Judicial employees-CWA professional and the Judiciary of Council of Affiliated Unions (JCAU). These agreements include the following increases in fiscal 2003: AFSCME: 2.0% across-the-board (ATB) increases in July and 2.5% in January, plus a bonus; CWA: 2.0% ATB increases in July and 2.5% in January; IFPTE: 2.0% ATB increases in July and 2.5% in January, plus a bonus; PBA: 2.0% ATB increases in July and 2.5% in January; CWA Professional: 2.0% ATB increase in July and 2.0% in January; JCAU: 2.0% ATB increase in July and 2.0% in January; STFA: 4.0% in July.

In addition, eligible employees represented by these unions will continue to receive annual increments. The Judiciary has implemented a classification and compensation system that replaces increments, which were paid to eligible union employees, with progression increases based on employee performance.

In fiscal 2003, \$120.2 million is recommended for Salary Increases and Other Benefits including \$113.0 million to cover fiscal 2003 employee increments, progressions, across-the-board raises for eligible employees, and bonuses according to contractual agreements along with any deferred costs for the same contracts.

This amount assumes savings from a continued attrition program of \$17.3 million. Employees exempted from the attrition program include State Troopers, Correctional and Parole Officers, Human Services institutional staff, and Veterans homes in the Department of Military and Veterans Affairs.

In addition to the attrition program, the State will also achieve savings from an early retirement incentive program, reductions of temporary staffing services and other actions. These savings will be achieved in the agency budgets and will be utilized to offset the costs of the existing salary contracts.

In addition to salary increases, this section of the Budget continues to provide \$7 million for payment of unused accumulated sick leave. Employees are permitted to accumulate earned sick days. Upon retirement, the retiree is paid for unused sick days at 50% of the normal pay rate, up to a maximum amount of \$15,000.

For fiscal 2003, a total cost of \$1.4 billion is budgeted to provide fringe benefits to employees of State government and higher education institutions, an increase of \$144.6 million, or 12%, compared to fiscal 2002.

Employee Retirement

All State employees and most employees of counties, municipalities, and school districts are members of one of the seven State retirement systems: the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), and the Police and Firemen's Retirement System (PFRS). The law provides that all defined benefit pension plans are subject to actuarial valuation every year and actuarial experience studies every three years.

The State's total cost for fiscal 2003, including actuarially determined normal costs, post-retirement medical costs for PERS and TPAF State employees, and debt service payments on the pension obligation bonds, is projected at \$423.2 million. Of this total amount, surplus assets will offset normal contributions equal to \$254.2 million for the defined benefit plans. Additionally, use of PRM Reserves and other savings initiatives will further offset normal contributions by \$92 million. The net result is a fiscal 2003 recommended appropriation of \$203.2 million, an increase of \$1.5 million, or less than 1% (0.7%) over fiscal 2002.

The net pension recommendation of \$203.2 million includes \$36.7 million of post-retirement medical costs for the Public Employees' Retirement System; post-retirement medical costs for the Teachers' Pension and Annuity Fund will be offset with reserve funds; \$95.7 million of defined contribution costs for the Alternate Benefits Program; and \$8.5 million of defined contribution costs to the Judicial Retirement System. Another \$2 million is appropriated for pension funds and other specially legislated retirement provisions. Recommended appropriations for debt service payments on the pension obligation bonds for State and higher education employees total \$60.4 million in fiscal 2003.

Employee Health Benefits

The cost for health benefits, including medical, prescription drug, dental, and vision, for State and higher education employees in fiscal 2003 is projected at \$781 million. This is a net increase of \$81.1 million, or approximately 11.6%, above the fiscal 2002 adjusted appropriation of \$699.9 million. This growth is a result of anticipated rate increases for all State health plans, reflecting continued cost escalation in the health care industry.

Employer Payroll Taxes

The fiscal 2003 recommendation of \$368.7 million for employer payroll taxes represents an increase of \$62 million, or 20.2%, over fiscal 2002. This includes \$357 million for the State's portion of the Social Security tax, \$8.5 million for Temporary Disability Insurance (TDI), and \$3.2 million for Unemployment Insurance (UI) liability. The taxable wage base for Social Security will increase from \$79,800 to \$83,400 in calendar year 2002. The taxable wage base for TDI and UI will increase from \$23,000 to \$23,900.

Other Interdepartmental Accounts

The fiscal 2003 Budget for other interdepartmental accounts totals \$62.3 million, a decrease of \$20.3 million, or 24.6%, less than the fiscal 2002 adjusted appropriation of \$82.6 million.

One of the major services included in fiscal 2003 is \$11.5 million for the Statewide 911 Emergency Telephone System. The remaining interdepartmental needs for fiscal 2003 include \$37 million for interest

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on short-term notes, \$3.2 million for interest on interfund borrowing and \$4.7 million for several smaller programs. Additionally, this Budget provides \$5.9 million for information technology.

The New Jersey Consolidated Energy Savings Program (NJCESP) has been established to reduce the cost of energy for New Jersey State departments and agencies, colleges, universities and authorities. As part of this effort, approximately 15% of the total electrical load will be

procured from renewable, or "green power" sources. The green power procurement helps New Jersey to meet federal environmental regulations and aids in the development of clean energy markets. The State will seek federal government approval to reimburse the cost premium for green power from the Petroleum Overcharge Reimbursement Fund.

SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2001						Year Ending June 30, 2003		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
1,320,850	47,811	-117,508	1,251,153	1,149,362	Direct State Services	1,131,760	1,327,384	1,327,384
511,105	139	-22,262	488,982	487,873	Grants-In-Aid	497,852	608,864	573,864
227,743	101,353	-1,175	327,921	265,780	Capital Construction	180,719	193,269	191,379
2,059,698	149,303	-140,945	2,068,056	1,903,015	Total General Fund	1,810,331	2,129,517	2,092,627
2,059,698	149,303	-140,945	2,068,056	1,903,015	GRAND TOTAL	1,810,331	2,129,517	2,092,627

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SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2002 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					General Government Services			
156,991	3,618	-343	160,266	149,171	Property Rentals	174,641	158,226	158,226
82,475	153	-1,345	81,283	73,183	Insurance and Other Services	57,710	54,125	54,125
821,463	16,376	50,492	888,331	857,703	Employee Benefits	785,117	906,316	906,316
61,353	3,029	-12,591	51,791	35,928	Other Inter-Departmental Accounts	82,376	62,113	62,113
174,689	23,707	-155,934	42,462	6,362	Salary Increases and Other Benefits	7,000	120,188	120,188
23,879	928	2,213	27,020	27,015	Utilities and Other Services	24,916	26,416	26,416
1,320,850	47,811	-117,508	1,251,153	1,149,362	<i>Subtotal</i>	1,131,760	1,327,384	1,327,384
					Subtotal Direct State Services - General Fund			
1,320,850	47,811	-117,508	1,251,153	1,149,362		1,131,760	1,327,384	1,327,384
					TOTAL DIRECT STATE SERVICES			
1,320,850	47,811	-117,508	1,251,153	1,149,362		1,131,760	1,327,384	1,327,384
					GRANTS-IN-AID - GENERAL FUND			
					General Government Services			
394,478	139	1,473	396,090	396,053	Employee Benefits	423,160	446,551	446,551
525	---	-525	---	---	Other Inter-Departmental Accounts	200	200	200
23,360	---	-23,360	---	---	Salary Increases and Other Benefits	---	35,000	---
92,742	---	150	92,892	91,820	Aid to Independent Authorities	74,492	127,113	127,113
511,105	139	-22,262	488,982	487,873	<i>Subtotal</i>	497,852	608,864	573,864
					Subtotal Grants-In-Aid - General Fund			
511,105	139	-22,262	488,982	487,873		497,852	608,864	573,864
					TOTAL GRANTS-IN-AID			
511,105	139	-22,262	488,982	487,873		497,852	608,864	573,864
					CAPITAL CONSTRUCTION			
					General Government Services			
227,743	101,353	-1,175	327,921	265,780	Capital Projects - Statewide	180,719	193,269	191,379
227,743	101,353	-1,175	327,921	265,780	<i>Subtotal Capital Construction</i>	180,719	193,269	191,379
					TOTAL APPROPRIATION			
2,059,698	149,303	-140,945	2,068,056	1,903,015		1,810,331	2,129,517	2,092,627

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70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To provide pooled funds for the costs of certain services which are managed centrally for or on behalf of all agencies of State government.
2. To provide pooled contingency reserve funds to cover certain emergency situations and probable cost increases for various utilities and common services which cannot be predicted with reasonable certainty.
3. To provide pooled funds for salary adjustments and other salary and compensation benefits for State employees.

PROGRAM CLASSIFICATIONS

01. **Property Rentals.** Provides for payment by the Department of the Treasury of rents for office space and other premises for State agencies, whose operations are financed from General Fund appropriations. This account also functions as a clearing account for payment of rents for agencies financed from other than General Fund sources, which amounts are shown as a deduction from the gross rent recommendation.
02. **Insurance and Other Services.** Provides funds to pay all central insurance premium costs and to cover the State's tort liability and its statutory duty to indemnify its employees for adverse judgments in all instances where the State is self-insured. This account also provides the self-insurance funds to pay losses which fall within the deductible areas of property insurance coverage and other insurance claims.
03. **Employee Benefits.** Provides funds for the following classes of employees: (1) Health Act pensioners (RS 43:5-1 et seq.), consisting of persons employed by the State as of January, 1921; (2) Veterans' Act pensioners (RS 43:4-1 et seq.); (3) Miscellaneous Special Pension Acts, in accordance with various State laws authorizing payments to designated individuals; (4) Annuity for Widows of Governors (RS 43:8-2); (5) Judicial pensioners (C43:6-6.4 et seq.); (6) Prison officers (C43:7-7 et seq.) whose funds are administered by a commission of five members including an appointee of the Governor, and the State Treasurer; (7) Public Employees (C43:15A-1 et seq.), whose funds are administered by a board of nine trustees, including municipal and county representation, two appointees of the Governor, and the State Treasurer; (8) State Police (C53:5A-1 et seq.), whose funds are administered by a board of five trustees including two active members of the system, two appointees of the Governor, and the State Treasurer, ex officio; (9) the pension and non-contributory group life insurance payments to be made by the State on behalf of those members of the Teachers' Pension and Annuity Fund, not employees of school districts, employed by the State Department of Education, and by the public institutions of higher education in the State. Funds are also provided for the payments for non-contributory group life insurance covering employees of the State and other participating employers in the retirement system (C43:15A-1 et seq.); the State's share of Social Security Tax (C43:22-1 et seq.); Pension Adjustment Act (C3:3B-1 et seq.) providing increases in benefits payable to members of State retirement systems; and the employer's share of health benefits charges for State employees enrolled in the public and school employees' health benefits program. Under C52:14-17.25 et seq., the administration of this program was transferred to the Division of Pensions and Benefits.

The Alternate Benefit Program was established (NJS 18A:64C-11.1, NJS 18A:65-74 and C18A:66-130) for faculty and staff members at the University of Medicine and Dentistry of New Jersey; Rutgers, The State University; the New Jersey Institute of Technology; and the State Colleges. The employer contribution to this retirement program is included in this budget.

The State Employee Health Benefits Program (C52:14-17.25 et seq.) provides health insurance for employees and their dependents, including those employed by State colleges and universities, through a traditional plan or a managed care health plan.

The Division of Pensions and Benefits coordinates payment of temporary disability insurance benefits to State employees (C43:21-46). Temporary cash benefits are provided to eligible State employees covered under Federal law to insure against loss of earnings due to non-occupational sickness or accident.

All individuals in the employ of the State of New Jersey or an instrumentality of the State, with respect to service performed after December 31, 1971 for a hospital or institution of higher education, are covered under the Unemployment Compensation Law (RS 43:21-1 et seq., as amended by PL 1971, c. 346). Any political subdivision of the State may elect to cover individuals employed by the subdivision in all of the hospitals and institutions of higher education operated by that political subdivision. Benefits paid based on wages earned in the employ of the State or of a political subdivision are financed by payments in lieu of employer contributions to the Unemployment Compensation Fund. All covered State employees are required to contribute each year to the Fund in accordance with the established rate. Benefits under the unemployment compensation program are payable in accordance with the provisions of the Unemployment Compensation Law.

The New Jersey State Prescription Drug Program (C52:14-17.29) helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. The co-payment charge is dependent upon whether the employee chooses a prescription which is generic or non-generic. All full time State employees are eligible to enroll for coverage in the Program without cost to the employee.

04. **Other Inter-Departmental.** Provides funds for allotment by the Director of the Division of Budget and Accounting to various departments or agencies of State government for meeting emergency conditions, and for a number of other contingencies which cannot be predicted with sufficient certainty to be included within the budget recommendations of individual departments or agencies. Included are the Governor's Emergency Fund, the premium portion of required payments for short term notes, seed money to implement cost saving processes, the 911 emergency telephone payments, and other productivity improvements as appropriate.
05. **Salary Increases and Other Benefits.** Includes funds to be allotted to the various State departments or agencies for the cost of general and special salary adjustments and unused accumulated sick leave.

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06. **Utilities and Other Services.** Provides for payment of fuel, utilities, janitorial services, and trash removal for State-owned and lease-purchase facilities primarily in the Capitol district.

08. **Capital Projects - Statewide.** Provides for statewide programs and capital projects administered by the Department of Treasury on behalf of state agencies. Statewide programs include the removal of underground storage tanks, hazardous material

removal and Americans with Disabilities Act compliance. Also, included is funding for the purchase of open space through the Garden State Preservation Trust Fund. Other items include network upgrades and agency information technology systems.

09. **Aid to Independent Authorities.** Provides for payments to Independent Authorities for operating expenses and construction costs of both cultural and sports related facilities.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available Expended		Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
156,991	3,618	-343	160,266	149,171	Property Rentals	01 174,641	158,226	158,226	
82,475	153	-1,345	81,283	73,183	Insurance and Other Services	02 57,710	54,125	54,125	
23,879	928	2,213	27,020	27,015	Utilities and Other Services	06 24,916	26,416	26,416	
263,345	4,699	525	268,569	249,369	Total Direct State Services	257,267	238,767	238,767	
Distribution by Fund and Object									
158,012					Property Rentals:	156,090			
2,000 ^S	3,618	-23	163,607	157,834	Existing and Anticipated Leases (a)	2,000 ^S	157,052	157,052	
22,168	---	-320	21,848	17,348	Economic Development Authority	23,783	19,283	19,283	
15,990	---	---	15,990	15,990	Other Debt Service Leases and Tax Payments	33,553	25,566	25,566	
198,170	3,618	-343	201,445	191,172	Subtotal Appropriation, Rent (Gross)	215,426	201,901	201,901	
Less:									
-41,179	---	---	-41,179	-42,001	Direct Charges and Charges to Non-State Fund Sources	-40,785	-43,675	-43,675	
156,991	3,618	-343	160,266	149,171	Subtotal Appropriation, Rent (Net)	174,641	158,226	158,226	
Insurance and Other Services:									
1,100	---	82	1,182	1,183	Property Insurance	1,460	3,000	3,000	
450	---	107	557	557	Casualty Insurance	505	2,380	2,380	
200	---	-9	191	190	Special Insurance Policies	220	220	220	
11,000	---	---	36,000	28,121	Tort Claims Liability Fund (a)	11,000	11,000	11,000	
25,000 ^S	---	---			Workers' Compensation Fund (a)	2,000 ^S			
34,900	147	---	40,047	39,891	Vehicle Claims Liability Fund	34,900	34,900	34,900	
5,000 ^S	---	---			Self-Insurance Deductible Fund	5,000 ^S	5,000	5,000	
4,200	---	-1,355	2,845	2,845	Self-Insurance Fund - Foster Parents	2,000	2,000	2,000	
500	6	-85	421	365		500	500	500	
125	---	-85	40	31		125	125	125	
82,475	153	-1,345	81,283	73,183	Subtotal Appropriation, Insurance & Other Services	57,710	54,125	54,125	
Utilities and Other Services:									
18,851	928	2,253	22,032	22,030	Fuel and Utilities (a)	15,913	20,513	20,513	
5,028	---	-40	4,988	4,985	Household and Security	3,100 ^S	5,903	5,903	
23,879	928	2,213	27,020	27,015	Subtotal Appropriation, Utilities & Other Services	24,916	26,416	26,416	

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Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
92,742	---	150	92,892	91,820	Aid to Independent Authorities	09	74,492	127,113	127,113
92,742	---	150	92,892	91,820	Total Grants-in-Aid		74,492	127,113	127,113
Distribution by Fund and Object									
Grants:									
11,000	---	---	11,000	11,000	Sports and Exposition Authority Operations	09	11,000	5,000	5,000
25,501	---	-2	25,499	24,427	Sports and Exposition Authority - Debt Service	09	25,573	24,479	24,479
15,221	---	---	15,221	15,221	Sports Complex	09	15,217	15,262	15,262
2,604	---	---	2,604	2,604	Atlantic City Projects	09	2,569	3,471	3,471
4,773	---	---	4,773	4,773	Higher Education and Other Projects	09	4,740	4,742	4,742
1,500	---	---	1,500	1,500	Wildwood Convention Center	09	2,000	2,000	2,000
5,543	---	2	5,545	5,545	Camden Aquarium Management Agreement	09	5,543	5,543	5,543
6,600	---	---	6,600	6,600	New Jersey Performing Arts Center, EDA	09	6,600	6,600	6,600
4,000	---	---	4,000	4,000	Liberty Science Center Educational Services	09	---	---	---
6,000	---	---	6,000	6,000	Commercialization Center, EDA	09	---	---	---
10,000	---	---	10,000	10,000	New Technology Center, EDA	09	---	---	---
---	---	---	---	---	Venture Capital for Start-up Firms, EDA	09	---	---	---
---	---	---	---	---	Liberty Science Center - EDA	09	700	---	---
---	---	150	150	150	War Memorial Management Agreement	09	550	800	800
---	---	---	---	---	Solid Waste Management - County Environmental InvestmentDebtServiceAid, EDA	09	---	59,216	59,216
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
227,743	101,353	-1,175	327,921	265,780	Capital Projects - Statewide	08	180,719	193,269	191,379
227,743	101,353	-1,175	327,921	265,780	Total Capital Construction		180,719	193,269	191,379
Distribution by Fund and Object									
Statewide Capital Projects									
1,950	1,885	253	4,088	3,117	Capital Improvements, Capitol Complex	08	2,385	---	---
---	37	-37	---	---	Statewide Law Enforcement Radio System	08	---	---	---
2,800	3,230	---	6,030	1,663	Fire Detection/Security - Central Station Upgrade	08	---	---	---
---	438	---	438	---	Life Safety and Emergency Projects - Statewide	08	---	200	200
2,500	1,989	---	4,489	3,542	Americanswith DisabilitiesAct Compliance Projects - Statewide	08	2,500	2,000	2,000
10,200	15,195	-16	25,379	8,073	Fuel Distribution Systems/Underground Storage Tank Replacements - Statewide	08	---	---	---

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Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
5,000	5,016	-329	9,687	2,751					
---	---	---	---	---					
1,000	1,504	---	2,504	1,531					
---	6,000	-6,000	---	---					
Hazardous Materials Removal									
					08	2,000	2,000	2,000	
					08	---	3,000	3,000	
					08	---	---	---	
					08	3,500 ^S	---	---	
New Jersey Building Authority									
Debt Service									
General State Projects									
21,767	---	---	21,767	21,767	08	21,767	23,444	23,344	
8,792	---	---	8,792	8,792	08	15,376	15,675	15,675	
14,767	---	---	14,767	14,767	08	8,792	8,855	8,855	
25,495	1,028	---	26,523	21,440	08	3,307	20,321	20,321	
Counter-terrorism Projects									
3,690	---	---	3,690	3,690					
---	---	---	---	---	08	4,850	6,798	6,798	
1,032 ^S	---	---	1,032	1,032	08	---	1,906	1,906	
---	---	---	---	---	08	---	---	---	
3,700	3,047	---	6,747	2,672	08	3,700	2,700	2,700	
500	---	---	500	148	08	750	---	---	
800	---	---	800	106	08	---	---	---	
500	---	---	500	---	08	---	---	---	
650	---	---	650	---	08	---	---	---	
500	---	-200	300	10	08	---	---	---	
---	---	---	---	---	08	480	---	---	
---	---	---	---	---	08	500	---	---	
---	---	---	---	---	08	775	---	---	
---	---	---	---	---	08	2,000	---	---	
---	---	---	---	---	08	5,037	---	---	
---	---	---	---	---	08	200	---	---	
---	---	---	---	---	08	1,200	---	---	
---	---	---	---	---	08	---	300	300	
---	---	---	---	---	08	---	1,180	1,180	
---	---	---	---	---	08	---	1,890	---	
4,100	---	---	4,100	950	08	---	---	---	
Enterprise Initiatives									
16,500	2,986	-5,284	14,202	5,254	08	---	---	---	
3,500	---	---	3,500	2,658	08	---	---	---	
---	---	---	---	---	08	3,600	---	---	
Open Space Preservation Program									
98,000	58,998	10,438	167,436	161,817	08	98,000	98,000	98,000	
583,830	106,052	-500	689,382	606,969	Grand Total State Appropriation				
						512,478	559,149	557,259	

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Notes

- (a) The Fiscal Year 2002 appropriation has been increased to reflect a proposed supplemental appropriation.
- (b) Network Infrastructure will be funded through short term financing.

Language Recommendations -- Direct State Services - General Fund

- The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building equitable charges for the rental of such space, to include, but not be limited to the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.
- Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.
- Notwithstanding any other provision of law, and except for leases negotiated by the Division of Property Management and Construction and subject to the approval or disapproval by the State Leasing and Space Utilization Committee pursuant to P.L. 1992, c.130 (C.52:18A-191.1 et seq.), and except as hereinafter provided, no lease for the rental of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly.
- To the extent that sums appropriated for property rental payments are insufficient, there are appropriated such additional sums, not to exceed \$3,000,000 as may be required to pay property rental obligations, subject to the approval of the Director of the Division of Budget and Accounting.
- An amount not to exceed \$2,000,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the Marlboro Psychiatric Hospital and North Princeton Developmental Center closure initiatives, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance as of June 30, 2002 in the Master Lease Program Fund is appropriated for the same purpose.
- There are appropriated such additional sums as may be required to pay tort claims under N.J.S.A. 59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative, and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S.A. 59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.
- Notwithstanding any other law to the contrary, claims paid from the Tort Claims Liability Fund on behalf of entities funded, whole or in part, from non-State funds, may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.
- There are appropriated such additional sums as may be required to pay claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. The funds appropriated are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. Notwithstanding any other law to the contrary, claims or costs paid from the monies appropriated under this paragraph on behalf of entities funded, in whole or in part from non-State funds, may be reimbursed from such non-State funds sources as determined by the Director of the Division of Budget and Accounting. Appropriations under this paragraph shall not be available to pay punitive damages and shall not be deemed a waiver of any immunity by the State.
- To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq., are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.
- To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

INTERDEPARTMENTAL ACCOUNTS

The unexpended balance as of June 30, 2002 in the Self-Insurance Deductible Fund is appropriated for the same purposes.

The amount appropriated hereinabove for the Self-Insurance Fund-Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The sums hereinabove are available for payment of obligations applicable to prior fiscal years.

There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the sums hereinabove for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with electrical de-regulation, fuel switch and other energy-conservation initiatives.

Of the unexpended balances in the Petroleum Overcharge Reimbursement Fund available for "Green Power", such sums shall be transferred to the various departments and agencies participating in the State electricity contract, as applicable, to reimburse additional costs associated with "Green Power" sources, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2002 in the Global Energy Statewide Account is appropriated for the same purpose.

There is appropriated from the Petroleum Overcharge Reimbursement Fund such sums as are necessary for the cost of purchasing energy from companies that utilize renewable "Green Power" sources, not to exceed \$1,200,000.

Language Recommendations -- Grants-In-Aid - General Fund

In addition to the amounts appropriated hereinabove for the Sports and Exposition Authority - Debt Service there are appropriated such additional sums as may be necessary, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the New Jersey Performing Arts Center account shall be used to pay the State's obligations pursuant to a lease with the New Jersey Economic Development Authority, for the lease of real property and infrastructure improvements and the Performing Arts Center structure constructed thereon purchased by the authority for the State in the city of Newark, for the purpose of constructing buildings to comprise a Performing Arts Center. Notwithstanding any other provision of law, the State Treasurer may enter into a lease with the New Jersey Economic Development Authority to lease the real property and improvements thereon purchased or caused to be constructed by the authority for the State in the city of Newark for the Performing Arts Center, subject to the prior written consent of the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly. Upon the final payment of the State's obligations pursuant to the lease for the real property and infrastructure improvements purchased by the authority, the title to the real property and improvements shall revert to the State. The State may sublease the land and facilities for the purpose of operating, maintaining or financing a Performing Arts Center in Newark. Any sublease for use of land and improvements acquired for the State by the New Jersey Economic Development Authority for the Performing Arts Center shall be subject to the prior written approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, or its successor.

The amount hereinabove for the Liberty Science Center Educational Services shall be used to provide educational services to students in the "Abbott districts" in the science education component of the comprehensive core curriculum standards as established by law.

Notwithstanding the provisions of any other law to the contrary, if county authority debt is restructured through the issuance of debt through the Economic Development Authority (EDA), pursuant to P.L. 2001, c.401, then the amount hereinabove for Solid Waste Management-County Environmental Investment Debt Service may be made available to pay debt service on that debt, in accordance with any agreement between the State Treasurer and the EDA. Additionally, in the absence of a restructuring or if only a partial restructuring is initiated, then the amount hereinabove for Solid Waste Management-County Environmental Investment Debt Service may be made available to subsidize county and county authority debt service payments for environmental investments incurred as of June 30, 1997, pursuant to the "Solid Waste Management Act," P.L. 1970, c.39 (C. 13:1E-1 et seq.) and the "Solid Waste Utility Control Act," P.L. 1970, c. 40 (C.48:13A-1 et seq.) in accordance with the criteria and program guidelines established by the Commissioner of the Department of Environmental Protection and the State Treasurer, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Capital Construction

Of the amount hereinabove for the Battleship U.S.S. New Jersey Refurbishment, such sums as are necessary may be transferred to Grants-In-Aid for the Battleship U.S.S. New Jersey Refurbishment and Visitors Center subject to the approval of the Director of the Division of Budget and Accounting, and the unexpended balances are appropriated.

There are appropriated such additional sums as may be required to pay future debt service costs for projects undertaken by the New Jersey Building Authority, subject to the approval of the Director of the Division of Budget and Accounting.

Prior to the unexpended balance as of June 30, 2002 in the Network Infrastructure Account intended for the development of the server farm initiative being expended, any participating department shall enter into a Memorandum of Understanding with the Chief Information Officer that no enterprise, data warehousing, application or database servers will be purchased by these departments but that they will participate in the implementation of the server farm.

INTERDEPARTMENTAL ACCOUNTS

Notwithstanding the provisions of any law to the contrary, of the amount hereinabove for the Garden State Preservation Trust Fund Account, up to \$5,139,000 shall be transferred to the Department of Agriculture for expenditures related to previously approved farmland preservation projects, and is subject to the constitutional amendment on open space (Article VIII, Section II, paragraph 7), and the remainder is subject to the provisions of P.L. 1999, c.152 (C.13:8C-1 et al.) and the constitutional amendment on open space (Article VIII, Section II, paragraph 7), provided, however, that the amount herein transferred to the Department of Agriculture shall be counted in the calculation of the Garden State Preservation Trust's allocation of funds to the State Treasurer for deposit into the Garden State Farmland Preservation Trust Fund, pursuant to C.13:8C-18 such that it does not affect the allocation of funds to the Garden State Green Acres Preservation Trust Fund.

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated from July 1, 2002 to June 30, 2003 is appropriated.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9410. EMPLOYEE BENEFITS

EVALUATION DATA

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
PROGRAM DATA				
Employee Benefits				
Judicial Retirement System				
Assets	\$419,400,742	\$358,472,638	\$381,943,634	\$406,951,394
Active Members	414	415	420	424
Pensioners	355	366	379	392
Annual Pensions	\$19,952,102	\$22,198,504	\$23,756,839	\$25,424,569
Lump Sum Death Benefits	\$757,833	\$671,038	\$780,015	\$906,689
Prison Officers' Pension Fund				
Assets	\$18,566,630	\$18,560,945	\$19,776,223	\$21,071,071
Pensioners	258	247	239	231
Public Employees' Retirement System				
Assets	\$28,100,239,006	\$24,653,723,116	\$26,267,925,637	\$27,987,818,068
Total Members	277,321	287,699	294,548	301,737
State (Active)	75,927	78,191	79,498	80,828
State (Inactive)	13,848	19,575	20,677	21,841
Local	187,546	189,933	194,373	199,068
Pensioners	102,370	105,016	109,000	112,714
Annual Pensions	\$959,467,384	\$1,033,479,125	\$1,110,049,593	\$1,192,293,168
Lump Sum Death Benefits	\$87,474,191	\$84,426,058	\$98,136,850	\$114,074,274
State Police Retirement System				
Assets	\$2,015,219,146	\$1,767,573,028	\$1,883,304,872	\$2,006,614,259
Total Members	2,623	2,690	2,708	2,725
Active	2,600	2,659	2,676	2,693
Inactive	23	31	32	32
Pensioners	1,825	1,908	1,991	2,078
Annual Pensions	\$61,703,044	\$68,447,794	\$74,806,594	\$81,756,126
Lump Sum Death Benefits	\$757,738	\$820,454	\$953,696	\$1,108,576
Police and Firemen's Retirement System				
Assets	\$19,174,249,430	\$16,858,049,999	\$17,961,830,823	\$19,137,881,696
Total Members	43,331	43,938	44,790	45,676
State (Active)	7,234	7,519	7,803	8,098
State (Inactive)	402	464	554	660
Local	35,695	35,955	36,433	36,918
Pensioners	23,157	24,378	25,770	27,241
Annual Pensions	\$673,831,374	\$744,929,147	\$815,503,734	\$892,764,558
Lump Sum Death Benefits	\$23,568,911	\$21,493,715	\$24,984,294	\$29,041,744
Alternate Benefits Program				
Total Active Members	15,975	17,038	17,976	18,970
State	13,242	14,198	15,064	15,984
County	2,733	2,840	2,912	2,986

INTERDEPARTMENTAL ACCOUNTS

	Actual FY 2000	Actual FY 2001	Revised FY 2002	Budget Estimate FY 2003
Teachers' Pension and Annuity Fund				
Assets	\$35,782,147,950	\$31,374,320,886	\$33,428,554,546	\$35,617,289,155
Total Members	134,199	139,631	144,974	150,527
State	312	329	308	289
County	67	64	59	55
Local	133,820	139,238	144,607	150,183
Pensioners	51,297	53,784	56,107	58,531
Annual Pensions	\$1,153,285,890	\$1,275,079,809	\$1,406,668,045	\$1,551,836,188
Lump Sum Death Benefits	\$51,399,340	\$55,091,487	\$64,038,344	\$74,438,172
Health Benefits Program				
Covered Members	303,342	326,612	341,149	357,121
State	127,215	133,234	132,937	132,937
Local	176,127	193,378	208,212	224,184

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available/Expended		2002 Prog. Class.	2002 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
821,463	16,376	50,492	888,331	857,703	03	785,117	906,316	906,316	
821,463	16,376	50,492	888,331	857,703	785,117		906,316	906,316	
Distribution by Fund and Object									
Special Purpose:									
74,210	---	-167	74,043	74,043	03	70,559	31,898	31,898	
---	---	---	---	---	03	70	---	---	
779	---	58	837	837	03	909	971	971	
---	---	---	---	---	03	---	8,468	8,468	
565	---	---	565	565	03	786	---	---	
1,583	---	-78	1,505	1,505	03	1,592	1,819	1,819	
146	---	---	146	127	03	127	108	108	
11	---	---	11	11	03	9	7	7	
5	---	---	5	4	03	4	5	5	
51,683	14,332	---	66,015	35,733	03	24,001	57,140	57,140	
345,757	2,044	-359	347,442	347,441	03	361,358	402,239	402,239	
						10,950 ^S			
102,887	---	1,912	104,799	104,764	03	115,939	144,482	144,482	
18,578	---	826	19,404	19,404	03	20,433	20,956	20,956	
1,001	---	---	1,001	810	03	1,000	1,000	1,000	
213,754	---	50,032	263,786	263,687	03	267,881	291,076	291,076	
						22,915 ^S			
5,148	---	-219	4,929	4,929	03	5,440	5,803	5,803	
5,356	---	-1,513	3,843	3,843	03	4,844	1,844	1,844	

INTERDEPARTMENTAL ACCOUNTS

The amounts hereinabove for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.

Among the amounts appropriated in section 1 of this act that are designated as State aid or grants-in-aid to be distributed by the State to governmental units that participate in the State of New Jersey Cash Management Fund reserve fund, there shall be a corresponding reduction in the distribution of payments from those appropriations amounts, as the Director of the Division of Budget and Accounting shall determine, up to the amount of the funds returned from the reserve fund to those participating governmental units pursuant to this act. The Director of the Division of Budget and Accounting shall provide notice of the payment reductions to the Legislative Budget and Finance Officer on the effective date of any payment reductions. An amount up to the total reduced payments shall be transferred by the Director of the Division of Budget and Accounting from such appropriations to the appropriations made in the Employee Benefits program classification accounts in the Inter-Departmental accounts for the purposes of those accounts, which transferred amounts shall be deemed a "Base Year Appropriations" for the purposes of the "State Appropriations Limitation Act," P.L. 1990, c.94 (C.52:9H-24 et seq.).

Language Recommendations -- Grants-In-Aid - General Fund

Such additional sums as may be required for Alternate Benefits Program, State Employees' Health Benefits, State Employees' Prescription Drug Program, Social Security Tax - State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

In addition to the sum hereinabove appropriated to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The unexpended balance as of June 30, 2002 in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

The amounts hereinabove for Employee Benefits may be transferred to the Direct State Services accounts for the same purposes.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9420. OTHER INTER-DEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
61,353	3,029	-12,591	51,791	35,928	04	82,376	62,113	62,113	
61,353	3,029	-12,591	51,791	35,928	Total Direct State Services		82,376	62,113	62,113
Distribution by Fund and Object									
Special Purpose:									
2,000	---	-439	1,561	---	To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided however, that a sum not in excess of \$5,000 shall be available for expenses of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State.				
---	---	---	---	---	04	2,000	2,000	2,000	
1,500	---	-1,500	---	---	04	12,000 ^S	---	---	
400	---	---	---	---	04	1,500	1,500	1,500	
25,200 ^S	---	---	25,600	18,473	04	400	---	---	
1,100	---	---	1,100	734	04	36,600 ^S	37,000	37,000	
					04	1,100	1,100	1,100	

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2002 Prog. Class.	Adjusted Approp.	Requested	Recommended
125	---	---	125	---	<u>DIRECT STATE SERVICES</u>				
					Catastrophic Illness in Children Relief Fund - Employer Contributions	04	125	125	125
3,000	---	---	3,000	938	Interest on Interfund Borrowing	04	3,000	3,200	3,200
							200 ^S		
15,328	---	558	15,886	15,327	Statewide 911 Emergency Telephone System	04	15,419	11,470	11,470
---	---	---	---	---	Network Infrastructure	04	2,640	3,600	3,600
---	---	---	---	---	Garden State Network Infrastructure	04	517	705	705
---	---	---	---	---	Automated Document Factory Upgrade	04	166	225	225
---	---	---	---	---	Automated Cartridge System Upgrade	04	109	150	150
---	2,244	-1,760	484	---	Opsail 2000	04	---	---	---
---	310	---	310	---	Year 2000 Data Processing Initiative	04	---	---	---
---	475	---	475	456	Interdepartmental Initiatives	04	---	---	---
500 ^S	---	-500	---	---	Geographic Information System (GIS) Integration	04	1,000	---	---
3,300	---	-2,400	900	---	Information Technology On-Line State Portal	04	1,850	1,000	1,000
900	---	-900	---	---	Information Technology Data Sharing, Integration and Management	04	---	---	---
8,000	---	-5,650	2,350	---	Information Technology Equipment Upgrades	04	---	---	---
---	---	---	---	---	Enterprise Contingency Planning and Disaster Recovery	04	750	38	38
---	---	---	---	---	Enterprise License Agreements	04	3,000	---	---
					<u>GRANTS-IN-AID</u>				
					Distribution by Fund and Program				
525	---	-525	---	---	Other Inter-Departmental Accounts	04	200	200	200
525	---	-525	---	---	Total Grants-in-Aid		200	200	200
					Distribution by Fund and Object				
					Grants:				
525	---	-525	---	---	Enhanced 911 County Grants	04	200	200	200
61,878	3,029	-13,116	51,791	35,928	Grand Total State Appropriation		82,576	62,313	62,313

Language Recommendations -- Direct State Services - General Fund

Unless otherwise indicated, the above amounts may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

Notwithstanding the provisions of N.J.S. 2A:153-1 et seq., there is allocated at the discretion of the Governor, an amount up to \$50,000, from the Special Purpose amount appropriated hereinabove to meet any condition of emergency or necessity, as a reward for the capture and return of Joanne Chesimard.

There are appropriated to the Emergency Services Fund such sums as are required to meet the costs of any emergency occasioned by aggression, civil disturbance, sabotage, disaster, or for flood expenses for State owned structures to comply with Federal Insurance Administration requirements, as recommended by the Emergency Services Council and approved by the Governor, and subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 2002 in the Governor's Contingency Fund is appropriated for the same purpose.

The unexpended balance as of June 30, 2002 in the Geographic Information System (GIS) account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the sum hereinabove appropriated for Geographic Information System (GIS) Integration, there are appropriated such other sums as may be received from federal, county, municipal governments or agencies and nonprofit organizations for orthoimagery and parcel data mapping.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL 74. GENERAL GOVERNMENT SERVICES 9430. SALARY INCREASES AND OTHER BENEFITS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2001					Year Ending June 30, 2003				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2002 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
174,689	23,707	-155,934	42,462	6,362					
					Salary Increases and Other Benefits	05	7,000	175,551	175,551
174,689	23,707	-155,934	42,462	6,362	Total Direct State Services		7,000	175,551	175,551
LESS:									
					Attrition Savings		---	(17,304)	(17,304)
					Statewide Savings Initiatives		---	(38,059)	(38,059)
174,689	23,707	-155,934	42,462	6,362	Total State Appropriation		7,000	120,188	120,188
Distribution by Fund and Object									
Special Purpose:									
137,509									
30,180 ^S	23,365	-155,934	35,120	---					
					Salary Increases and Other Benefits	05	---	168,551	168,551
LESS:									
					Attrition Savings		---	(17,304)	(17,304)
					Statewide Savings Initiatives ^(b)		---	(38,059)	(38,059)
7,000	342	---	7,342	6,362					
					Unused Accumulated Sick Leave Payments	05	7,000	7,000	7,000
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
23,360	---	-23,360	---	---					
					Salary Increases and Other Benefits	05	---	35,000	---
23,360	---	-23,360	---	---	Total Grants-in-Aid		---	35,000	---
Distribution by Fund and Object									
Special Purpose:									
23,360	---	-23,360	---	---					
					Salary Increases and Other Benefits	05	---	35,000	---
198,049	23,707	-179,294	42,462	6,362	Grand Total State Appropriation		7,000	155,188	120,188

Notes

- (a) The original fiscal 2002 appropriation for salary program allocation was transferred to the agency budgets.
- (b) The fiscal year 2003 amount for Statewide Savings Initiatives includes savings from an early retirement incentive program, reduction of temporary services, and other actions.
- (c) The original fiscal 2002 appropriation for salary program allocation was transferred to the senior public institution budgets.

Language Recommendations -- Direct State Services - General Fund

The sums hereinabove appropriated to the various State departments, agencies or commissions for the cost of salaries, wages, or other benefits shall be allotted as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of any other laws, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of Fiscal Year 2003 as determined by such directives, with timely notification of such directives to the Joint Budget Oversight Committee or its successor. Such directives shall not be considered an "administrative rule" or "rule" within the meaning of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), but shall be considered exempt under paragraphs (1) and (2) of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), and shall not be subject to the "Administrative Procedure Act" P.L.1968, c.410 (C.52:14B-1 et seq.). Nothing herein shall be construed as applicable to the Presidents of the State Colleges, Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology.

INTERDEPARTMENTAL ACCOUNTS

No salary range or rate of pay shall be increased or paid in any State department, agency, or commission without the approval of the Director of the Division of Budget and Accounting. Nothing herein shall be construed as applicable to unclassified personnel of the Legislative Branch or the unclassified personnel of the Judicial Branch.

In addition to the amount hereinabove for Unused Accumulated Sick Leave Payments, there are appropriated such sums as may be necessary for payments of unused accumulated sick leave.

Any sums appropriated for Salary Increases and Other Benefits shall be made available for any person holding State office, position or employment, whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment under the Palisades Interstate Park Commission.

The unexpended balance as of June 30, 2002 in the Salary Increases and Other Benefits account is appropriated for the same purposes.

The Director of the Division of Budget and Accounting shall transfer from Departmental Accounts and credit to the Salary Increases and Other Benefits accounts a sum of \$17,304,000 to reflect savings from a managed attrition program. This additional sum is appropriated for Salary Increases and Other Benefits.